

**REGIONAL FINANCIAL MANAGEMENT AND ACCOUNTABILITY**  
**(Implementation of Article 4 of Government Regulation**  
**Number 105 Year 2000 on House Rehab Program to Wealthy Society in Batu City)**  
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**Abstrak**

Kesejahteraan sosial adalah kondisi terpenuhinya kebutuhan material, spiritual, dan sosial warga negara agar dapat hidup layak dan mampu mengembangkan diri, sehingga dapat melaksanakan fungsi sosialnya. Kota batu memiliki otonom untuk mengurus urusan rumah tangganya dan keuangan daerahnya, termasuk permasalahan kemiskinan. Sesuai inti dari isi Pasal 4 PP Nomor 105 Tahun 2000 tentang Pengelolaan dan Pertanggungjawaban Keuangan Daerah, maka pemerintah Kota Batu wajib mengelola keuangan daerahnya demi kepentingan umum, termasuk demi kesejahteraan sosial masyarakat Kota Batu. BPMPKB dan Dinas Sosial dan Tenaga Kerja menjadi lokasi penelitian. BPMPKB memiliki program yang dinamakan Tridaya, yakni di bidang infrastruktur, pelatihan, dan ekonomi. Dinas Sosial dan Tenaga Kerja pun memiliki program yang bertujuan meningkatkan kesejahteraan sosial dengan memanfaatkan potensi alam Kota batu.

Kata Kunci : Kesejahteraan sosial, pengelolaan dan pertanggungjawaban keuangan daerah.

**Abstract**

Social welfare is the fulfillment of the conditions of material, spiritual, and social citizens to live a decent and able to develop themselves, so that it can carry out its social function. Batu City has to take care of household affairs and financial areas, including the problem of social poverty. Based on the content of Article 4 Government Regulations No. 105 Year 2000 on Regional Financial Management and Accountability, the Batu City government must manage local financial public interest, including for social welfare in batu City. BPMPKB and Department of Social and Labor become research location. BPMPKB has a program called Tridaya, namely in the fields of infrastructure, training, and economic. Department of Social and Labor also has programs aimed to maximized the social welfare of Batu City by utilizing the natural potential. Key word : Social welfare, regional financial management and accountability.

## A. Introduction

The lives of a group of people would certainly well-being when local government finances by or in accordance with article 4 of Government Regulation No. 105 of 2000 Local Financial Management and Accountability

*"Financial management is done in an orderly manner, obey the laws - laws that apply, efficient, effective, transparent, and accountable with regard to the principle of justice and propriety."*

If interpreted per word , which meant that is able to efficiently manage , organize local finances wisely , not wasteful with budgeted belnaja areas that are not necessary . Then the definition of effective is to manage your finances well so useful for the community and on target . Then the definition of transparent is an opportunity for the public to know the process of financial management so that public information was correct , honest , and non-discriminatory . Then the definition of responsible is accountable ranging from financial management to the process of making decisions regarding the Draft Budget and Expenditure (RAPBD) . But sometimes the area of financial management processes are not known by the people who indicated that the lack of socialization of the government to the people to form the stigma of financial management areas that are not transparent . While based on the principle of openness that is one principle - the principle of good governance , the public has the right to get the correct information , to be honest , and not discriminative of the state organization .

The objective of such a social welfare is to improve the welfare , quality and viability ; restore social functions in order to achieve independence ; increase social resilience in preventing and addressing social welfare issues ; improving capabilities, public participation in the implementation of social welfare and sustainable institutionally ; improve the quality of management of the provision of social welfare . In the implementation of social welfare should be based on several principles , including the principle of solidarity ; principle of justice ; principle of expediency ; principle of coherence ; principle of partnership ; principle of openness ; principle of accountability ; principle of participation ; principle of professionalism , and sustainable principles . If the material needs , spiritual , social and citizens in order to live

properly been met and the community is able to develop themselves , so that it can carry out its social function , it is called social welfare.<sup>1</sup>

Batu City is a city in East Java Province, the area is only about 199 087 km <sup>2</sup>. Batu City is located at 680-1200 meters above sea level with an average air temperature at 15 ° - 19 ° Celsius. Ideally lush mountainous region territory, Batu City also have beautiful scenery and cool weather, of course this will attract people from other regions and society from Batu City itself to visit and enjoy this tourism.

**Tabel 1**  
**Loca Revenue of Batu City for Five Years**

No	Year	Target	Target Attainment
1	2010	Rp 28 Billion	Rp 17 Billion
2	2011	Rp 30 Billion	Rp 30,2 Billion
3	2012	Rp 31 Billion	reached 35% quarter I/2012
4	2013	Rp 39,2 Billion	-

Source : Secondary data, data processing, 2014

Batu City has good enough natural potential, it should be a great tourist attraction, this optimism proved to Batu city governments in improving local revenue targets within a period of four years, in the year 2010 with a target of local revenue reached Rp 28 billion to Rp 17 billion , in the year 2011 with the target local revenue reached Rp 30 billion to Rp 30.2 billion, in the year 2012 with the target local revenue reached Rp 31 billion and reached 35% up quarter I/2012, in the year 2013 with the target local revenue reached Rp 39.2 billion,<sup>2</sup> the target increase Rp 8.2 billion. This optimism is formed due to local revenues derived from Batu City tourism sector which amounted to 65%. Local revenues are large enough should be balanced with the realization in the form of an increase in social welfare.

From the background above, the authors wanted to know about Batu City government accountability relating to social welfare sector, particularly in the field of construction of houses / house renovation / rehab home, using the method of empirical research is to look at the facts on the reality, whether accordance with applicable government regulations. Therefore, the author

<sup>1</sup> Pasal 1 angka 1 Undang – Undang Nomor 11 Tahun 2009 tentang Kesejahteraan Sosial.

<sup>2</sup> Mohammad Sofii, PAD Batu baru terealisasi 35% dari target Rp 31 miliar, <http://www.bisnis-jatim.com/>, (18 April 2013)

raised the title "**Implementation of Article 4 of Government Regulation Number 105 Year 2000 on Regional Financial Management and Accountability to Social Welfare in Batu City**".

## **B. Legal issues**

Based on the background above, author formulated two problems in this thesis, consist of :

1. How does the implementation of article 4 Government Regulation number 105 Year 2000 on Regional Financial Management and Accountability to social welfare in Batu City ?
2. What is the role of the government to maximized social welfare in Batu City by utilizing its natural potential, while tourism in Batu City increase such as Batu Secret Zoo and Batu Night Spectacular ?

## **C. Research Method**

### **Research approach**

This research is an empirical study juridical, legal research is focused on the rule of law or regulations that is then related to the facts on the ground. This study is the type of empirical studies have analyzed the implementation of Article 4 of Government Regulation No. 105 Year 2000 on Regional Financial Management and Accountability to the social welfare sector in Batu. While the approach used in this study is a socio-juridical approach that analyzes the problems in the field that is then associated with the theory that there are laws and principles of good governance.

## Types and Source of Data

### 1. Primary Legal Materials

Primary data in this thesis is an empirical data that is retrieve or collected from the source of data, and its not other's data<sup>3</sup>. Primary data which are used in this research are results from interview and quisoner which will be explain, etcetera.

- a. Some individual in Junrejo District which is located in Batu City, some of the individuals still live in poverty;
- b. Department of Society Empowerment, Women, and Family Planning (BPMPKB);
- c. Department of Social and Labor.

### 2. Secondary legal materials

Secondary data is a data to support primary data.<sup>4</sup> Secondary data consists of books, thesis from Brawijaya Law Faculty Students, acts, and articles from internet.

## Population and Sample

### 1. Population

Population is an object of this research, population is an entity of elements with a form of human or individuals, animals, plants, State organ or State institution, group, documents, phenomenon, or concepts.<sup>5</sup> Populations in this journal are people or people whom have the authority on the implementation of developing social welfare in Batu city, specifically in development field, which may include:

- a) Societies in Batu City in Junrejo District, especially societies with less attention from social welfare;
- b) Department of Society Empowerment, Women, and Family Planning (BPMPKB);
- c) Department of Social and Labor.

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<sup>3</sup> Nur Hidayati, Skripsi Pelaksanaan Kemitraan antara Pelaku Usaha Toko Modern dengan Pelaku Usaha Mikro Kecil dan Menengah (Studi implementasi Pasal 2 ayat 1 huruf (d) Peraturan Daerah Kabupaten Malang Nomor # Tahun 2012 tentang Perlindungan dan Pemberdayaan Pasar Tradisional Serta Penataan dan Pengendalian Pusat Perbelanjaan dan Toko Modern, hlm. 38.

<sup>4</sup> Ibid, hlm. 39.

<sup>5</sup> Jusuf Soewadji, MA, *Pengantar Metodologi Penelitian*, Mitra Wacana Media, Jakarta, 2012, hlm. 129.

## 2. Sample

According to **Kartini**, sample is a representative from one large population, one part from a whole, and the characteristic it represents the whole.<sup>6</sup> Sample in this journal use quota sampling technique. Quota sampling technique is a technique to take sample from on population by searching certain elements which may have the characteristics willed, in quota sampling technique the author have to determine the amount by quota and in each strata, for further action the author have to determine whom match to be the sample.<sup>7</sup> This may be described:

- a) Society in Junrejo District where the population welfare haven't been given much attention by the government;
- b) Department of Society Empowerment, Women, and Family Planning (BPMPKB);
- c) Department of Social and Labor.

## Data Retrieval Technique

### 1. Primary Data

#### a) Interview

Data retrieval technique with interview is a way or technique to obtain information or data from respondents by direct interview, it is an action between interviewer and interview.<sup>8</sup> The interview is done by interviewing respondents from certain individual in Junrejo district, village official, certain departments, and Batu City Government whom have the authority for implementation of local financial. This is done by asking different questions to different respondents, for the purpose to earn different information and find the answer on how is the implementation of article 4 of Government Regulation Number 105 Year 2000 on Regional Financial Management and Accountability.

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<sup>6</sup> Ibid, hlm. 131.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid, hlm. 152.

b) Quisoner

The purpose of this method is to help the author to collect information if the location is wide. So that the author more easily to collect information on the ground.

2. Secondary Data

a) Library Study

The secondary data is retrieved by reading books or journals in the Brawijaya University Library and Law Faculty Center of Documentation.

b) Document Study

This secondary data is retrieved by learning all document or file from internet that related to the title of this thesis, implementation of article 4 of Government Regulation number 105 Year 2000 on Regional Financial Management and Accountability.

### **Analyze Method**

Analyze method in this journal is by case study. Case study is a method that is used to study the social acts from one case to another case and it is done by analyzing it comprehensively, the case could form as human, group, community, society, an event, a process, or an entity of social life.<sup>9</sup> By collected data and information on the ground about programs that applied by government, namely house renovation or house rehab. The author will collected data and information about the programs that applied by government to maximized social welfare by utilizing its natural potential. From these data and information, the author will know about the role of the government in increase social welfare in Batu City, particularly in Junrejo District.

### **D. Analysis**

Tourism and agriculture are two sectors which are the mainstay of the Batu City in increasing local revenue (PAD), in the beginning of the agricultural sector who constitute the majority of activity but as development of Batu City becomes the target for investors both local

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<sup>9</sup> Ibid, hlm. 52.

and foreign investors to invest in the development of tourism, for example, Jawa Timur Park 1, Jawa Timur Park 2, Batu Secret Zoo, and others.

The development of tourism is indeed a positive impact on the lives of the surrounding societies but the negative impact usually happen too and sometimes affects to the rhythm of people's lives. Batu City tourism development impacts on the community economic aspects , such as the increase of new business opportunities that result in increased economic income, the creation of greater employment opportunities. Indirectly there will be the possibility of displacement of the profession ( occupation ) of the profession as farmers who are the majority of the people of Batu City profession into labor in the tourism sector or society serving two professions that as a labor in tourism and as a farmer. Batu City tourism development creates new business opportunities for the majority of his profession as a community fruit and vegetable farmers , the opportunity exploited by businesses to develop a variety of processed fruits and vegetables. Business actors modify the processed fruit and vegetable into chips, cakes, and a variety of other food, such as for example an apple, bananas, potatoes, and others. Growers of fruits and vegetables can be more easily distribute their agricultural products to the tourists so that its natural potential can be developed also . So many entrepreneurs processed fruit and vegetable chips, Department of Social Welfare and Labor provides training on how production and processing chips, and cake so that the societies increasingly powerful in making production. Development of processed agricultural products also get help in the form of several units of production equipment from the Department of Social and Labor.

### **1. Government (BPMPKB) programs that applied to increase the social welfare and solve the poverty, particularly in house renovation or house rehab.**

The central government authority for the area to take care of household affairs, better known as the system of decentralization which replaces centralization in the past. This system guarantees each area to manage the financial affairs of the region, so that each region has autonomy over the region, including in solve and reduce poverty in the region. To solving the problems of poverty, the Ministry of Public Works applied the National Program for Urban Community Empowerment (PNPM MP) which replaces the previous program, the Urban Poverty Program (P2KP). But basically, either P2KP or PNPM MP is a program that aims to prevent and reduce poverty in this country. PNPM MP has built a community institution in the



form of Community Institutional Board (BKM). BKM is very important in this house renovation or rehab home programs implemented by the government, BKM has Financial Management Unit (UPK) is to managing finances for the purposes of making a proposal, the purpose of the village meetings, and others. For this purpose, UPK secured funding from Operating Costs (BOP).

Through the existing unit in Batu City, namely BPMPKB Batu City, Community Direct Assistance (BLM) given that flowed to the program of societies empowerment in accordance with the PNPM MP. BLM fund is prioritized for the poor societies who have been enrolled in the Mapping. Sources of funding for PNPM MP can come from variety of elements, consist of<sup>10</sup> :

- a. Government, from APBN, APBD, BUMN, BUMD, and the others;
- b. Social fund;
- c. Fund that collected by societies;
- d. Other social community.

PMPKB Batu City has a program that aims to reduce poverty, BPMPKB have a program called Tridaya. Tridaya program is divided into three areas, namely<sup>11</sup> :

- a. Infrastructure

This program is to support economic society by giving assistance such as development on public service, house renovation, etcetera;

- b. Training

This program is to support societies by giving training if there societies want to start to make a business, such as processing fruit and vegetable to make a chips. So that societies can increase income itself;

- c. Economy

This program support society by giving loan if there are societies want to increase business itself, maximal loan from government is only Rp 2.000.000. this delimitation

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<sup>10</sup> The result from interview with Mrs Paina, Kasubid Development of Economic Society BPMPKB Batu City, on 20th of January 2014.

<sup>11</sup> Ibid.

because restrictiveness fund from government, government have to share to other societies.

The author discusses about the program of the subject, the infrastructure program in the field of construction of houses / house renovation / rehab houses that are part of a sub- task fields BPMPKB Community Economic Development Batu City. Home rehabilitation program aimed at people who are low economic conditions, the condition of her house severely damaged or unfit for human habitation by utilizing BLM has been budgeted by the central government. This is in accordance with the principle of which is included in the Public Interest Principles - General principles of Good Governance, the principles which put the general welfare in a way that is, accommodating, and selective. However, the budget can not be thawed when BKMPKB not provide funding assistance of at least 5 % of the budget of the central government. BKMPKB have Tridaya program is divided into three (3) areas, namely infrastructure, training, and economic. Assistance funds can be channeled to one program, so that the budget of the central government will be in the melt. The concept of development programs or rehab house is divided into several stages, including :

- a. First phase, which originated from a village meeting held that discusses and recommends care homes are entitled to community property in rehab. This stage is not only recommended, but the house will be in rehab have been reviewed if it is worth getting the BLM grants for house construction or rehab homes;
- b. Second phase, through the meetings will result in a decision that will be followed up by making a proposal by the Governmental Group ( KSM ). The proposal was to be addressed to the Agency for Community Self-reliance ( BKM ) and proceed to the Department of Social Empowerment, Women and Family Planning Batu City ( BKMPKB ) sub- field of Society Economic Development;
- c. Third phase, after the proposal is accepted by BPMPKB, data generated from the meetings will be verified its authenticity. If the data is valid, the program of development house / house renovation / rehab houses can be implemented with a budget that has been provided either by the central government to the State Budget and provincial governments (APBN) and the Batu City with the Regional Budget, social funds, and other funds.

## **2. Government (Department of Social and Labor) programs that applied to increase social welfare by utilizing Batu City natural potential.**

The goal for the realization of economic conditions and welfare of the community as well as tackling poverty is increasing than through Department of Social Empowerment, Women and Family Planning Batu City government gave the mandate to the Department of Social and Labor. Department of Social and Labor has a program that is almost like the program which is owned BPMPKB in the welfare of the community by utilizing its natural resources. Such as by giving training to processing fruit and vegetable to make chips and cake.

### **E. Conclusion**

1. Implementation of Article 4 of Government Regulation Number 105 Year 200 of the Regional Financial Management and Accountability to the Social Welfare in Batu City has been applied, but with delimitation budget that owned by Batu City should be split and adjust the budget for renovation house programs / rehab home. Department of Social Empowerment, Women and Family Planning Batu City is one of the department that have purpose on tackling, and reduce poverty in region itself. BPMPKB Batu City also has a more specific program, that is renovation house program or rehab home for three District in Batu City.

Renovation house program or house rehab is a form of intervention from the National Program for Society Empowerment Urban (PNPM MP) that has general purpose to tackling and reducing poverty in Indonesia.

2. Batu City Government through the public office service has a variety of programs in solving the problems of poverty. In addition BPMPKB Batu City, public office service that aimed to tackling and reducing poverty is the Department of Social and Labor. Dinsosnaker Batu has programs aimed at the welfare of society by utilizing the natural potential of Batu, such as training for societies that still live in poverty (year 2011), raise their skills so that they can make a business itself (2012), in 2013 the program is still the same with the program in 2011.

In applied to that's programs, it is not impossible if there are no closure. The department that applied those programs almost have same closure, such as delimitation fund (BPMPKB and

Department of Social and Labor), doesn't have valid data for societies who live in poverty (Department of Social and Labor), information from government about those program doesn't continuous to societies.

#### **F. Recommendations**

For those Department that applied the programs to solve poverty, do more information to societies, particularly societies in the village where the located far from town square. So that, those Department will have valid data and the programs will applied well. Beside that, if those Department do more information to societies particularly to the village where located far from town square, information about government programs will applied to societies directly.